



USAID
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USAID DEVELOPMENT CREDIT AUTHORITY LOAN PORTFOLIO GUARANTEE

August 2013 – August 2019

Total Funding: \$400,995

Many of Angola's small- and medium-sized enterprises in the health, agriculture, education, tourism and manufacturing sectors, lack access to private capital to grow their businesses. This leads to weak economic growth.

The USAID Development Credit Authority uses partial credit guarantees to mobilize local financing in developing countries. Guarantee agreements encourage private lenders to extend financing to underserved borrowers, which in Angola, is a very large number due to a difficult lending environment. Since 2013, the program has mobilized \$4.8 million in loans from Banco Keve, of which 60 percent is guaranteed by the Development Credit Authority.

HOW DOES IT WORK?

- Banco Keve identifies qualifying projects and submits to USAID's Development Credit Authority through the Credit Management System
- USAID approves qualifying projects
- Bank Keve disburses loans to qualifying small- and medium-sized businesses
- Beneficiary businesses repay the loans as negotiated with Banco Keve
- If beneficiary small- and medium-sized business defaults, Banco Keve submits claims to USAID for 60 percent of unpaid loans
- If USAID considers the claim valid, it reimburses 60 percent of the Banco Keve loss

ACCOMPLISHMENTS

- Mobilized \$4,848,300 from Banco Keve
- Utilization rate of mobilized loan 96,16 percent (4,662,125) in four years
- Provided 21 small- and medium-sized businesses in health, education, information technology and communication, trade and commerce with an average loan size of
- \$228.619, ranging from 40.000 to 880.000
- Supported borrowers, 38 percent of which were women-owned small- and medium-sized
- businesses

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